

IRS ISSUES SUMMER STATISTICS OF INCOME BULLETIN

Washington--According to the recently released summer issue of the quarterly *Statistics of Income Bulletin*, there were 1,272,508 taxpayers whose income tax returns for Tax Year 1995 showed an adjusted gross income (AGI) of \$200,000 or more. Of this number, 998 reported they had no U.S. income tax liability. This was mainly because of certain losses, tax credits and itemized deductions, especially the deduction for investment interest expense. Another 6,721 high-income taxpayers owed U.S. tax of less than 5 percent of AGI. AGI and tax reported on returns for 1995 with an AGI of \$200,000 or more amounted to \$640.0 billion and \$182.5 billion, respectively. AGI reported on returns showing no tax liability amounted to \$0.6 billion.

Another article, which provides limited data on the characteristics of individual income tax returns recently received by the IRS for Tax Year 1997, shows that the number filed by the April deadline was 113.1 million, up from 111.7 million for 1996. The largest increase was for electronically-filed returns, up from 19.0 million to 24.4 million.

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A third article reports that pre-tax profits reported on the 4.5 million corporation income tax returns for 1995 increased to \$714.2 billion, almost 24 percent more than for 1994. Receipts from sales, services and investments for 1995 totaled \$1,422.6 billion. The 7,537 returns of companies with total assets of \$250 million or more accounted for nearly 80 percent of total profits. Reflecting the increase in profits, the total corporation income tax reported for 1995 was \$156.4 billion, compared to \$135.5 billion for 1994.

According to a fourth article, profits reported by the nation's 16.9 million nonfarm sole proprietors for 1996 grew to \$176.8 billion. This was 4.4 percent more than for 1995. Receipts from sales and services totaled \$843.2 billion. Businesses classified as services accounted for 34 percent of the receipts and 58 percent of the profits.

Yet another article indicates that the 7,500 largest foreign corporations (CFC's) controlled by large U.S. multinational corporations for 1994 held \$1,988.4 billion in assets, generated \$1,345.8 billion in receipts, and reported \$98.4 billion in earnings and profits before taxes. Over half of these CFC's were incorporated in a European country, led by the United Kingdom. Nearly 38 percent were classified as manufacturers, with another 30 percent classified in finance, insurance and real estate.

A final article shows that, with exceptions, the U.S.-source income paid to foreign "persons" in 1995 amounted to \$95.8 billion, a net increase of 14 percent over 1994. Payments to Japanese persons increased 28 percent to \$27.3 billion, while payments

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to persons in the United Kingdom grew 18 percent to \$19.5 billion. The \$2.6 billion in U.S. tax withheld by domestic persons or agents on \$21.7 billion of the income paid to foreigners was 33 percent more than for 1994, due mainly to the increase in dividend payments.

This year marks the 80th anniversary of the first SOI Report. The Bureau of Internal Revenue, the original name of the IRS, released the report on June 1, 1918.

The *Statistics of Income Bulletin* is available for purchase from the Superintendent of Documents, U.S. Government Printing Office, P.O. Box 371954, Pittsburgh, PA 15250-7954. The annual subscription rate is \$29 (\$36.25 foreign); single issues cost \$18 (\$22.50 foreign). For other Statistics of Income (SOI) data, write the Director, Statistics of Income Division OP:RS:S, Internal Revenue Service, P.O. Box 2608, Washington, DC 20013-2608; dial the SOI electronic Bulletin board at (202) 874-9574; check the World Wide Web at <http://www.irs.ustreas.gov>; or telephone the SOI statistical information services office at (202) 874-0410 (or, by e-mail, sis@soi.irs.gov; by fax, (202) 874-0964).

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